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INTERSTATE COMMERCE COMMISSION WRITER'S DIRECT DIAL NUMBER

May 16, 1990

(612) 340-8950

Interstate Commerce Commission
12th and Constitution N. W.
Washington, D.C. 20423

FEDERAL EXPRESS

ATTENTION; Mildred Lee - Room 2303

Re: Memorandum of Lease Filing: Generation II Locomotives

Dear Ms. Lee:

I have enclosed for filing an original and one copy of the document described below, pursuant to 49 U.S.C. Section 11303.

This document is a Memorandum of Lease dated April 26, 1990. The names and addresses of the parties to the document are:

LESSOR:
Caterpillar Financial Service Corporation
100 N.E. Adams Street
Peoria, Illinois 61629-6180

LESSEE:
Generation II Locomotives, Inc.
901 West 94th Street
Minneapolis, Minnesota 55420

A description of the equipment covered by this document is as follows:

Ten GP20-C Class Generation II Locomotives with Caterpillar 3516 diesel engines bearing road numbers BN 2000 through BN 2009 and serial numbers W210041 through W210051, exclusive of W210045.

MAY 17 3 39 PM '90
MOTOR OPERATING UNIT

RIDER, BENNETT, EGAN & ARUNDEL

Interstate Commerce Commission
May 16, 1990
Page Two

A check in the amount of \$15.00 is enclosed representing your filing fee. Please return the original document indicating your date and time of filing. I have provided a stamped, self-addressed envelope for this purpose.

A short summary of the document to appear in the index is as follows:

The primary document is a Memorandum of Lease between Caterpillar Financial Service Corporation, 100 N.E. Adams Street, Peoria, Illinois 61629-6180 and Generation II Locomotives, Inc., 901 West 94th Street, Minneapolis, Minnesota 55420, dated April 26, 1990 and covering ten GP20-C Class Generation II Locomotives with Caterpillar 3516 diesel engines bearing road numbers BN 2000 through BN 2009 and serial numbers W210041 through W210051, exclusive of W210045.

Very truly yours,

RIDER, BENNETT, EGAN & ARUNDEL



Kenneth S. Guenther

KSG:ls

Enclosures

cc: Mr. S. K. Erickson
D. R. Backstrom, Esq.

Interstate Commerce Commission
Washington, D.C. 20423

5/30/90

OFFICE OF THE SECRETARY

Kenneth S. Guenther
Rider, Bennett, Egan & Arundel
200 Lincoln Center
333 South Seventh Street
Minneapolis, Minnesota 55402

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/17/90 at 3:45pm and assigned recordation number(s). 16871

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

MAY 17 1990 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made and entered into as of this 26th day of April, 1990, by and between CATERPILLAR FINANCIAL SERVICE CORPORATION, a Delaware corporation ("CFSC") and GENERATION II LOCOMOTIVES, INC., a Minnesota corporation ("Generation II"), in accordance with the terms of that certain Railroad Equipment Lease Agreement dated the date hereof (the "Lease") between CFSC as "Lessor" and Generation II as "Lessee";

The parties hereto agree as follows:

1. Grant of Lease and Term. For good and valuable consideration and subject to the terms and conditions of the Lease, CFSC, which is the owner of the locomotive units described in Annex 1 hereto and bearing Road Nos. BN2000 through BN2009 (collectively the "Equipment"), hereby leases the Equipment to Generation II for a term to begin upon the Lease Commencement Date, as defined in the Lease, unless the Lease is earlier terminated in accordance with the provisions thereof.

2. Subleasing. Generation II has entered into a Sublease of the Equipment in accordance with the terms of the Lease.

3. Option to Purchase. Generation II may at its option purchase the Equipment at the times and on such conditions as are set forth in the Lease.

4. Summary of Terms. This Memorandum of Lease is not a complete summary of the Lease. References made to the Lease for a complete statement of the terms and condition of the Lease and of the options and rights referred to therein. In the event of any inconsistency between this Memorandum of Lease and the Lease, the Lease shall govern. The parties agree that this Memorandum of Lease may be filed for the purposes of protecting the rights of the parties hereto pursuant to 49 U.S.C. Section 11303 and Section 86 of the Railway Act of Canada.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Lease to be executed by their duly authorized representatives as of the day and year first above written.

CATERPILLAR FINANCIAL SERVICES CORPORATION ("Lessor")

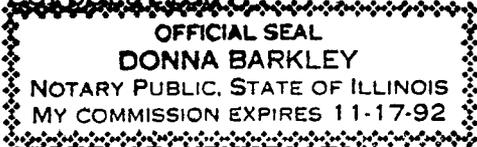
By [Signature]
Its [Signature] JAH

GENERATION II LOCOMOTIVES, INC.
("Lessee")

By *S.K. Erickson*
Its S.K. Erickson
Vice President Finance
Treasurer

STATE OF ILLINOIS)
) ss.
COUNTY OF Peoria)

On this 15th day of May, 1990, before me personally appeared C.Q. Hallock, to me personally known, who being by me duly sworn, says that he is the Account Manager of CATERPILLAR FINANCIAL SERVICES CORPORATION, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Donna Barkley
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this 11th day of May, 1990, before me personally appeared S. K. Erickson, to me personally known, who being by me duly sworn, says that he is the VP Finance, Treas. of GENERATION II LOCOMOTIVES, INC., that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Pamela J. Huntoon
Notary Public

ANNEX 1

Equipment

<u>Item</u>	<u>Model</u>	<u>Road Number</u>	<u>Serial Number</u>
1	GP20-C	BN 2000	W210041
2	GP20-C	BN 2001	W210042
3	GP20-C	BN 2002	W210043
4	GP20-C	BN 2003	W210044
5	GP20-C	BN 2004	W210046
6	GP20-C	BN 2005	W210047
7	GP20-C	BN 2006	W210051
8	GP20-C	BN 2007	W210048
9	GP20-C	BN 2008	W210049
10	GP20-C	BN 2009	W210050